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TAGS: EFIN EREL ETRD PGOV PREL XH UP

SUBJECT: UKRAINE: TIGIPKO'S READY, BUT STILL NO DECISION ON

CRISIS COORDINATOR

REF: A. KYIV 311 <u>1</u>B. KYIV 250 1C. KYIV 295

Classified By: AMBASSADOR WILLIAM B. TAYLOR, REASONS 1.4 (B) AND (D)

- 11. (C) Summary. Sergey Tigipko (a.k.a. Serhiy Tyhipko, see note on name transliteration in paragraph 6) told Econoff on February 19 that he is still being considered for a high-level position in Yulia Tymoshenko's government, though the situation remains fluid and no decisions on ministerial positions have yet been made by Ukraine's Cabinet of Ministers. Comparing Ukraine's current crisis with its condition after the Soviet Union's collapse, Tigipko repeated his previous calls for an overall crisis management strategy and immediate implementation of coordinated reforms. End summary.
- 12. (C) Econoff spoke to Sergey Tigipko on the margins of a business leaders' conference on February 19, as rumors continue to swirl non-stop and every bit of speculation about top cabinet appointments is taken with a grain of salt. "This is not for broad advertisement," Tigipko told us before he spoke publicly, "but (the Cabinet of Ministers) is laying names down one after another, engaging in horse trading, then pulling the names back if the deal is not right. It's all politics. And I am not going to assert myself until I'm called." Tigipko added, "when they call me (as deputy prime minister for economics and overall crisis coordinator), I'll be in a better position to negotiate."
- 13. (C) When asked about recent suggestions that he may back out of a potential government job, due to the lack of authority a crisis coordinator would have over the ministries (a concern expressed to the Ambassador by President Yushchenko aide Oleksander Shlapak on February 17, which Shlapak said he passed to Tigipko), Tigipko replied that the "position is only as strong as the coordinator." On taking over the Finance Ministry, he said, the Minister's portfolio is what the coordinator naturally should also have (Ref A). Clenching his jaw and pumping his fist, he said, "It's where the money and real power to do something will be."
- 14. (U) In his public comments at the conference, Tigipko compared Ukraine's current crisis to its situation when the Soviet Union collapsed, a time when "everything was broken and (Ukraine) needed to start over from scratch. Except it was easier then, because foreign investors were interested."
- 15. (U) Tigipko presented his vision of a crisis strategy to the crowd of business leaders. "We can't talk about the budget or legislation or reforms until we have a coordinated strategy." A strategy is a relatively simple thing to produce in this situation, "just as it is relatively easy to

know what to do when you get a flat tire." The politicians at the highest level are "not capable of developing or implementing a strategy" because of the upcoming elections (Ref B). But "now is not the time for populism. I'm convinced", he continued, "that at the expert level (in the ministries) there will be plenty of collaboration and joint implementation, because the work has to be done today."

- 16. (U) Note: The former Deputy Prime Minister and National Bank of Ukraine Governor's preferred name transliteration is "Sergey Tigipko," as he is exclusively a Russian speaker, although his name has been transliterated as "Serhiy Tyhipko," "Sergiy Tihipko," or "Serhiy Tyhypko" in English-language sources.
- ¶7. (C) Comment: We have heard numerous permutations of possible nominations for Minister of Finance, one of the hottest topics of conversation in the local media and among the business elite. Neither Prime Minister Tymoshenko on February 17 nor President Yushchenko on February 18 commented to the Ambassador on changes at the Ministry, which has been leaderless since the February 12 resignation of Viktor Pynzenyk (Ref C). However, both they and their staffs have repeatedly mentioned Tigipko as a "uniquely qualified" candidate. End comment.